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Financing of the United Nations Preventive Deployment Force

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Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/53/437) on the revised budget for the maintenance of the United Nations Preventive Deployment Force (UNPREDEP) for the period from 1 July 1998 to 30 June 1999. During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General who provided the Committee with additional information and clarifications.

2. By its resolution 795 (1992) of 11 December 1992, the Security Council authorized the deployment of a United Nations presence in the former Yugoslav Republic of Macedonia. By its resolution 983 (1995) of 31 March 1995, the Security Council decided that the United Nations Protection Force (UNPROFOR) within the former Yugoslav Republic of Macedonia should be known as UNPREDEP. The Security Council, by its resolution 1142 (1997) of 4 December 1997, decided to extend the mandate of UNPREDEP for a final period terminating on 31 August 1998, with the withdrawal of the military component immediately thereafter.

3. The General Assembly, by its resolution 52/245 of 26 June 1998, appropriated the amount of $21,053,745 gross for the maintenance of UNPREDEP for the fiscal year 1998/99. It provided for a military strength of 750 troops for the period from 1 July to 31 August 1998 and the liquidation of UNPREDEP thereafter.

4. However, by its resolution 1186 (1998) of 21 July 1998, the Security Council extended the mandate of the Force until 28 February 1999 and decided to authorize an increase in its troop strength up to 1,050. The report of the Secretary-General (A/53/437) contains the revised budget for the maintenance of UNPREDEP at its increased military strength of 1,050 troops for the 12-month period from 1 July 1998 to 30 June 1999, which amounts to $55,492,545 gross, of which $32,438,800 gross represents the additional requirements resulting from the continuation of the mandate of UNPREDEP and the expansion of its military component. In the course of its examination of the revised budget for UNPREDEP, the Advisory Committee also took note of the report of the Secretary-General on the cost estimates for the maintenance of UNPREDEP for the financial period 1998/99 (A/52/805), which contains, *inter alia*, supplementary information on mission-specific costs and ratios, requirements for non-recurrent costs, an organizational chart and a map for UNPREDEP.

5. The revised budget provides for the deployment of 1,050 troops, 35 military observers and 26 civilian police. It also provides for 68 international staff and 135 locally recruited staff, the operation of up to 3 helicopters and 234

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United Nations-owned and 364 contingent-owned vehicles. According to the Secretary-General, the deployment of 1,050 troops, 35 military observers and 26 civilian police will be completed by November 1998; the deployment of 68 international staff and 135 locally recruited staff will be completed by January 1999. Annex IV to the report of the Secretary-General (A/53/437) contains the deployment schedule of military and civilian personnel.

6. In addition to the increase in troops from 750 to 1,050, the proposed staffing for the Force reflects a reduction of 4 posts in the category of international staff and an increase of 18 posts in the category of locally recruited staff, thus bringing the total number of the civilian component of UNPREDEP to the previous level of 203 posts. Details of the revised staff requirements are contained in paragraphs 14 to 26 of the report of the Secretary-General (A/53/437).

7. The Committee notes from paragraphs 15 and 25 of the same report that the Secretary-General proposes to upgrade the post of the Chief of the Civilian Engineering Section to the P-3 level and the post of the Chief Finance Officer to the P-4 level. The Committee was informed that these proposals reflect a reinstatement of the staffing levels that existed before the reduction in the military component of the Force took place. While, under the circumstances, the Committee has no objection to the proposed upgradings, it points out that requests for reclassification of posts should normally be made in the context of initial budgets.

8. The Advisory Committee notes from paragraph 18 of the report that one Field Service post for an Air Operations Manager is being proposed for the Movement Control/Air Operations Unit, in order to implement the recommendation of the Office of Internal Oversight Services that measures be taken to strengthen the capability of the Organization to assess the viability and suitability of a vendor, including safety records and compliance with international safety regulations. Although the Committee does not object to the proposal at the present time, it requests that the need for the functions of an Air Operations Manager be reviewed in the context of the next budget proposal for UNPREDEP, if any.

9. The Advisory Committee was informed that the deployment status of military and civilian personnel of UNPREDEP as at 31 August 1998 was as follows:

Category of personnel	*Authorized*	*Actual*	*Incumbency rate (percentage)*
Military observers	35	35	100
Military contingents	1 050	655	62
Civilian police	26	26	100
International staff	72	64	89
Local staff	117	102	87

10. As can be seen from the table above, the deployment of military contingents is only at the level of 62 per cent. In this connection, the Advisory Committee was informed that in respect of one battalion, a memorandum of understanding had not been signed as at 29 September 1998. Taking into account the above statistics, as well as historical data on troop deployment, the Advisory Committee is doubtful whether the deployment schedule referred to in paragraph 5 above could be fully implemented.

11. The Committee was informed that full reimbursement for troops has been made to troop-contributing countries for the period ending 31 December 1997 and that an amount of $6.5 million is owed to troop-contributing countries for the period ending 31 August 1998.

12. The Advisory Committee was also informed that expenditures for the fiscal year 1997/98 amounted to $39.6 million gross, resulting in an unencumbered balance of $6.9 million; moreover, the expenditures of $39.6 million include unliquidated obligations of about $14.4 million. The Committee points out that some of the unliquidated obligation may well be cancelled, which would further increase the unencumbered balance for the financial period 1997/98. The Committee is of the view that additional efforts need to be taken to improve the reliability of budget estimates for UNPREDEP. In this connection, the Advisory Committee recalls that in the course of its consideration of the performance report for UNPREDEP for the period from 1 July 1996 to 30 June 1997, the Committee observed that the Secretary-General's initial budget estimates for UNPREDEP for that period appear to have been inflated (see A/52/860/Add.1, para. 5).

13. The Advisory Committee was informed that out of the total estimated requirements of $34.4 million for the reimbursement of contingent-owned equipment from the inception of UNPREDEP (1 January 1996) to 30 June 1999, an amount of $3.0 million has been reimbursed to troop-contributing countries. In this connection, the Advisory Committee recalls that in paragraphs 9 to 12 of its previous report on the financing of UNPREDEP during the financial period 1998/99 (A/52/860/Add.1), the Committee made a

number of observations and recommendations. For example, the Committee noted that the requirements for reimbursement of contingent-owned equipment were based on the retroactive application of the new wet-lease arrangements to the inception of UNPREDEP on 1 January 1996 (ibid., para. 9). Moreover, the Committee observed that, "at this stage the capacity of the Organization to implement the new contingent-owned equipment arrangements and to benefit from them is deficient" and it recommended, therefore, that "the Secretary-General take all necessary measures adequately to review projected requirements for reimbursement of contingent-owned equipment under the new wet-lease arrangements, including an immediate special audit by the Board of Auditors on this issue, which would, *inter alia*, address arrangements in place for application of the new contingent-owned equipment procedures" (ibid., para. 10). The Advisory Committee also pointed out that it is important that "the Secretary-General clarify and confirm that reimbursement under the new wet-lease arrangements with troop-contributing Governments does not include provisions for support and services already provided by the United Nations to military personnel" (ibid., para. 12). The Advisory Committee points out that the above observations and recommendations still need to be addressed by the Secretary-General.

14. The Secretary-General, in paragraph 27 of his report (A/53/437), proposes that the General Assembly appropriate $34.4 million gross for the maintenance and liquidation of UNPREDEP during the period from 1 July 1998 to 30 June 1999, in addition to the amount of $21.0 million gross already appropriated and assessed under General Assembly resolution 52/245. Taking into account its comments and observations in the paragraphs above, the Advisory Committee recommends that the General Assembly appropriate an amount of $29.0 million gross for a total amount of $50.0 million gross for the Force for the financial period from 1 July 1998 to 30 June 1999. The assessment of the additional amount of $29.0 million gross would be subject to the renewal of the mandate of UNPREDEP by the Security Council for the period beyond 28 February 1999.